DOCUMENT RESUME

ED 385 195 HE 028 461

AUTHOR Stetar, J.
TITLE Ukrainian Private Higher Education.
PUB DATE 18 Apr 95
NOTE 19p.; Paper presented at the Annual Meeting of the American Educational Research Association (San Francisco, CA, April 18-22, 1995).
PUB TYPE Reports - Descriptive (141) -- Speeches/Conference Papers (150)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Accreditation (Institutions); *College Administration; Educational Change; *Educational Finance; Federal Legislation; Foreign Countries; *Government Role; Higher Education; *Private Colleges; *Private Education; *Socioeconomic Influences
IDENTIFIERS *Ukraine

ABSTRACT

This paper provides an overview of higher education in Ukraine, focusing on the small number of private institutions of higher education which have either begun embryonic operation since Ukraine's independence in 1991 or are currently seeking licenses from the Ministry of Education. It examines the history of postsecondary education in Ukraine, the current state of the nation's educational system, and the economic dislocations that have affected state-controlled higher education in recent years. The paper then discusses the finance, governance, and function of private higher education in Ukraine, and the role of the Ministry of Education in licensing or accrediting the estimated 200 or more private institutions. It provides brief profiles of six private institutions, and concludes by observing that in their brief existence the private institutions have appeared to be highly innovative and responsive to the changing educational needs precipitated by the breakup of the Soviet Union and the changing economic environment in Ukraine. (MDM)

Ukrainian Private Higher Education

Paper prepared for presentation at Annual Meeting of American Educational Research Association, San Francisco, CA

18 April 1995

J. Stetar
Seton Hall University

Ukrainian Private Higher Education

Introduction

Ukrainian higher education is in the middle of a significant transformation that began with *Perestroika* in 1985, accelerated with its independence from the Soviet Union in December 1991 and the ascension of a democratically elected nationalistically inclined government and continues under the auspices of a somewhat less nationalistic government which assumed power about ten months ago. This paper will focus on the emergence of a small number of private institutions of higher education which have either begun embryonic operation since Ukraine's independence in 1991 or are currently seeking licenses from the Ministry of Education.

Beginning with some background on the overall higher education in Ukraine the paper will then shift to an examination of the chief emerging structural types of private higher education and will examine some of the chief exemplars of private higher education in that nation with a special emphasis upon three particular categories: finance, governance and function. Finally, this paper will examine the nascent patterns of interaction between the emerging sector of private higher education and the Ukrainian government.

The data utilized for this paper were chiefly gathered as part of a study sponsored by the Ukrainian Ministry of Education and the Ukrainian Association of Private Higher Education (UAPHE) in Summer of 1994. That study was designed to assist the Ministry and the UAPHE with their planning. As part of the study I completed over thirty interviews with faculty and administrators from six private institutions of higher education, various officials within the Ministry and the managers of several Western European and American companies with operations in Kyiv region.

Ukrainian Higher Education: The Broader Context of Eastern Europe and Russia

Higher education in the countries comprising the former Soviet Union is undergoing its second revolution of the twentieth century. The first began in 1917 and expanded in the years following World War II especially under Josef Stalin, who sought to impose a socialist and to varying degrees a Russificated system of higher education upon the countries comprising the

Soviet Union. Ideological in orientation with strong central state planning, control and academic orthodoxy, it lacked the intellectual pluralism -- particularly in the social sciences and humanities -- essential to institutional vitality. This initial revolution limited academic freedom and imposed a strong governmental imprimatur upon the growth, direction and development of higher education in Ukraine as well as the other Soviet Union and Eastern Bloc countries. However, a second revolution is now underway in Eastern Europe. Volatile, unpredictable and centrifugal in orientation this revolution seeks to radically and profoundly restructure higher education. It seeks to substantially alter, if not eradicate, the official state dogmas through healthy doses of pluralistic thought and academic freedom. This second revolution also seeks to recapture national history and identity, expand the barriers of institutional autonomy while rethinking and redefining the role of government *viz a viz* the university. It seeks to foster educational pluralism (e.g. private educational institutions), reinstate indigenous language and cultural studies and infuse higher education with an increased, although often undefined emphasis, upon individualism.[1]

While conservative ideologues are still extremely strong throughout much of the former Soviet Union, they are especially dominant in Ukraine, where tensions between nationalistic Ukrainians, ethnic / linguistic Russians and other minorities such as Moldovians, Hungarians, Crimea-Tatarians are strong. Nevertheless, higher education planning is being infused with new perspectives. Rejecting simplistic approaches which tend to characterizes higher education as the passive product of society or the active engine of change,[2] Ukrainian reformers -- apparently clustered somewhat disproportionately in the private sector -- are looking at ways reform and restructure higher education within a broader systematic perspective which accommodate varying views of mission, values, structure, function, rationalization and bureaucratization. As Bjorn Wittrock and Sheldon Rothblatt suggest in their comparative look at European and American universities:

> The disenchantment with State planning, 'command economies', and

[1] E. S. Swing and F. Orivel, "Education in a New Europe," *Comparative Education Review*, Vol. 36, No. 1, February 1992, 1-9.

[2] See K. H. Jarausch, "Higher Education and Social Change: Some Comparative Perspectives," in *The Transformation of Higher Learning 1860-1930* edited by K. H. Jarausch, Chicago: The University of Chicago Press, 1983

large-scale bureaucracy...the balkanising of former Soviet regimes have predictably led to a search for new and different ways of structuring and financing higher education to achieve the three goals of economic development, social mobility and 'quality'.[3]

In Ukraine as well as several other nations of the former Soviet Union small but vocal bands of higher educational reformers are are attempting to integrate the dynamics of reform and restructuring with a sensitivity to national idiosyncrasies.[4]

An Overview of Ukrainian Higher Education

Ukrainian higher education, while considerably younger than the ancient universities of Western Europe, nevertheless has deep roots. The first Ukrainian university, Kyiv -Mohyla Academy was founded in 1632. Other older universities include: Lyiv University (1795), Taras Shevchenko Kyiv [State] University (1834), Kharkiv University (1804) and Odessa University (1868).

Ukrainian higher education is now being shaped by the changes that have occurred in Ukraine since the beginning of *Perestroika* in 1985. In the late 1980s there were 156± institutions which could be characterized as post secondary. Among them were 10 universities, 2 agricultural universities, 3 academies, 3 conservatories and about 138 institutions of further education. Collectively, these institutions enrolled approximately 880,000 students. Most institutions of higher education also offered postgraduate instruction and approximately 31,000 students were enrolled in nearly 300 different areas of specialization. Postgraduate students who successfully defend their research receive Candidate of Science (Cand.Sc.) degree which roughly

[3] S. Rothblatt and B. Wittrock, *The European and American University since 1800*, Cambridge: Cambridge University Press, 1993, 5.

[4] For some contemporary and historical perspectives on higher education in Eastern Europe see: Ministry of Education of Ukraine, *The Changing Role of Government in the Development of Education of the Ukraine*, Policy Paper Office of International Relations, Kyiv, April 20, 1993; Ministry of Higher and Specialized Secondary Education of the Ukrainian SSR, *Higher Education in the Ukrainian SSR*, Bucharest: UNESCO CEPES, 1985; T. Kozma and J. Setenyi, "Changing Policies and Dilemmas in Higher Education Finance" , *Higher Education in Europe*, Vol. 17, No. 1, 1992, 107-117; B. VonKopp, "The Eastern European Revolution and Education in Czechoslovakia", *Comparative Education Review*, Vol. 36, No. 1, February, 1992, 101-113; D. Turner, *Shifting Patterns of Governance of Education: The Case of Higher Education in Europe*, Paper Presented at CIES Annual Conference, Boston, April 1995.

corresponds to doctorate. Doctor of Science (Doc.Sc.) degree could be awarded to Cand. Sc. degree holders upon further defense of research. In the years immediately preceding and following independence Ukrainian higher education began to move towards the more international standard of academic degree programs. In place of their traditional first degree [the five year Magisterum] Ukrainian universities are beginning to offer a bachelor degree after four years of study, a master's degree after five or six years of study and a Ph.D. or Cand. Sc. after additional study. In short, a higher education system rather developed and in step with international norms is emerging in Ukraine.[5]

Independence in 1991, however, heightened concern for the future of Ukrainian higher education. As suggested, in a nation of 52 million the higher education system was deeply rooted and quite well developed. As was typical, those roots were shaped and controlled, for the greater part of this century, by central authorities in Moscow not Kyiv. Ukrainian history, culture and language were suppressed and nearly all of higher education was Russificated. In addition, educational planning was viewed from a Soviet Union rather than Ukrainian perspective. Ukrainian universities prepared specialists not only for their own needs but also for other republics according the dictates of the central planners in Moscow and to a lesser degre Kyiv. At the same time, the academic preparation of individuals who would serve in the key areas of the Ukrainian economy often occurred in Moscow, St. Petersburg or other areas of the Soviet Union. Having gained its sovereignty in 1991 the new government embarked upon a policy -- ameliorated somewhat since Fall of 1994 -- to insure it would not be overly dependent upon Russian higher education for the development of the leaders and talent needed for its economic development.

Under Soviet domination the higher education system was financed by and a monopoly of central government. Private higher education institutions were prohibited (as was any form of private enterprise) and the state higher education system was funded by what Ukrainian academics call the "residual principle," i.e., only the funds that remained after other spheres such as military - industry - political complex were adequately provided for.

Independence in many ways exacerbated the problems. There are severe problems regarding the geographical dispersal of higher education and the attendant problems of access.

[5] Slavonic Center, Ministry of Education of Ukraine, *Universities and Institutes of Ukraine*, Kyiv: Slavonic Center, 1994.

Currently, several of the largest Ukrainian educational centers such as Kyiv, Lviv, Kharkiv and Odessa are arguably overbuilt with higher education while other regions of the nation face severe shortages of higher educational opportunities. In addition, with curricula offering often ill-suited to meeting the needs of a country trying to forge its national character, and maintain its independence while embarking on the long road to democracy and a market-oriented economy, Ukrainian higher education remains in need of considerable reform.

Following independence the Ukrainian economy has been on a steady path of currency crises, hyperinflation, declining GNP, disinvestment and massive economic dislocations. These powerful forces have left the traditional Ukrainian, government-run and financed higher education sector in a state of crisis. Despite perhaps unrealistic aspirations to integrate its higher education institutions into a system on par with the European community, funding has not kept pace with inflation. In 1994 - 95 with their laboratories and libraries in disarray , basic services irregular at best and professorial wages in the $25.00 per month range -- faculty were abandoning their traditional university duties -- but not their posts -- in an effort to make ends meet.

Academic salaries must be viewed within the context of a period of rapid economic change which dramatically altered the traditional economic and social order. It was during this time that taxi drivers and waiters with Western customers in Kyiv were making $20.00± a day, skilled employees of Ukrainian companies were making $200.00± per month and Ukrainians talented and fortunate enough to secure positions with such European and American companies at Siemens, AT&T, Ciba-Geigy, and TamBrands. to name just a few, were earning salaries in the $400.00 to $1000.00± a month range.

A small emerging private sector economy seduced some of the most appropriately skilled and flexible academics from the state universities; others struck out on their own entrepreneurial efforts that were in far too many instances iil-conceived, naively planned and woefully undercapitalized. In numerous instances academics from the state universities gravitated to the emerging private institutions where academic salaries were generally four to five times higher.

In this milieu academic sinecures in the state universities were not particularly attractive to many academics and it is within these changing economic and deteriorating educational conditions that Ukrainian private higher education emerged in the early 1990s.

Defining Private Higher Education from a Cross-Cultural Perspective

In focusing on private higher education, questions regarding definition inevitably arise and this is certainly the case in Ukraine. Attempts to examine private higher education in an international context quickly confronts the difficulty of defining what is meant by private higher education. In the United States the distinction between private and public or state higher education has become increasingly blurred in recent decades. Many private colleges now receive substantial assistance from state government while public institutions have raised tuitions and aggressively seek private funds. Finance alone is generally not an adequate measure for determining privateness.

The ambiguity regarding public - private institutions is also deeply rooted abroad. In his study of private higher education in Latin America Daniel Levy uses three indices: finance, governance and function in an attempt to arrive at a better understanding of the distinctions between private and public higher education. These categories are also useful in determining the degree to which these emerging institutions of higher education in Ukraine are actually private. The indices utilized by Levy are:

• **Finance**: an institution is private to the extend it receives its income from non-government sources and public to the extent it relies on the state.

• **Governance**: an institution is private to the extent it is governed by non-state personnel and public to the extent it is governed by the state.

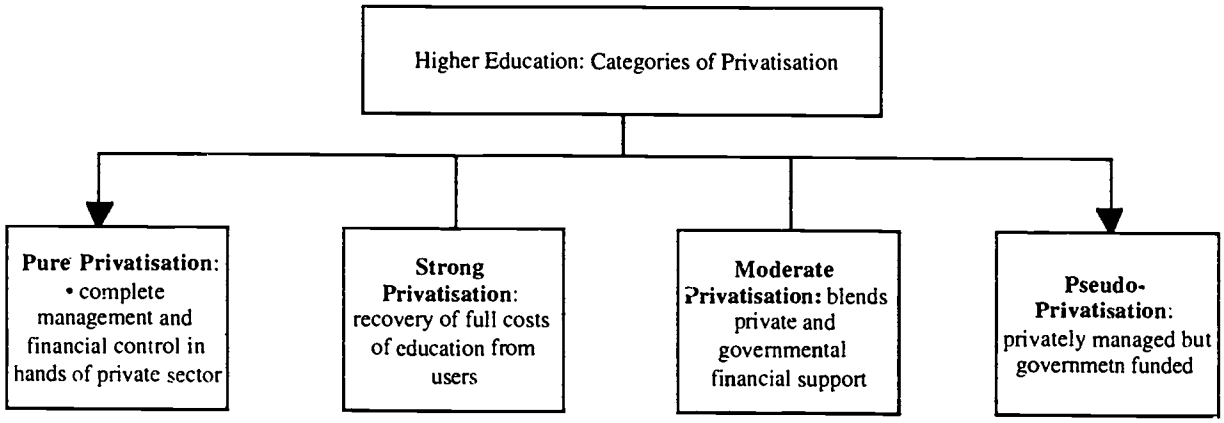
• **Function**: the extent to which an institution generally assumes a public or private mission and how that mission relates to governance and finance helps define its privateness.[6]

In studying private higher education it is also generally illuminating to consider the degree to which an institution is private. In Figure 1 Jandhyala Tilak, a professor with the educational and finance unit at the National Institute of Education Planning and Administration in New Delhi, contributes to our definitions of private and public by providing four distinct categories for

[6] Daniel C. Levy, *Higher Education and the State in Latin America: Private Challenges to Public Dominance*, (Chicago: The University of Chicago Press, 1986), pp. 15-18.

determining privatization.[7]

Figure 1: Degrees of Privatization of Higher Education



Through the course of this paper the degree of privatization permitted in the Ukraine will be examined this study will focus on the nongovernmental, post secondary educational institutions whether they be proprietary, nonprofit or sectarian or some combination thereof.[8]

Overview of Ukrainian Private Higher Education

The breakup of the Soviet Union, the advent of Ukrainian independence and the increase in nationalistic sentiment coupled with the dramatic economic, social, religious and cultural changes that accompanied these phenomenon has given rise to a proliferation of private institutions seeking to address rapidly changing or long suppressed educational needs. For example, linguistic and religious groups, buoyed by the increased freedom gained in the breakup of the Soviet Union, have expressed an interest in establishing institutions of private higher education to further religious or cultural goals.[9] The Ministry of Education in Kyiv estimated that in 1994 about 40,000 students or nearly 5% of the total post secondary enrollment of 880,00 students were in private post secondary institutions most of which were unlicensed and therefore unsupervised by

[7] A. Utley, Private fears, public worries," The *Times [UK] Higher*, 27 November 1992.

[8] For a discussion on nuances of defining private and public higher education see: Roger L. Geiger, *Private Sectors in Higher Education: Structure Function and Change in Either Countries*, (Ann Arbor: The University of Michigan Press, 1989), pp. 1-12.

[9] The Greek-Catholic Church as well as other religious groups, especially in Western Ukraine, sought to establish private institutions of higher education going so far as to unsuccessfully seek license from State to operate prior to ceasing efforts in 1994. Indications are they may renew initiatives in 1995.

the state.

The Ministry differentiates between licensing and accreditation. Licensing is a temporary, five year right granted by the state permitting an institution to begin operation based upon a relatively modest quality assurance process. Accreditation is a much more complex process, still very much in the formative stage, which is designed to insure broad institutional and educational quality. Despite the uncontrolled start-up of private post secondary educational institutions throughout the nation, the Ministry of Education which is responsible for all educational planning and quality assurance, was able to provide this statistical portrait of private higher education in May 1994:

Table 1: Number of Private Higher Educational Institutions in Ukraine[10]

Number of Ukrainian Private Institutes (train specialists) and Magisterum (e.g., universities and academies)	Number of institutions applying to Ministry for license	Number granted license	Number in process of applying for accreditation	Estimated number of institutions operating without license
200±	78	45	17±	155±

The surge in the number of private post secondary education since 1991 has created a sizable schism within the Ministry regarding its role with respect to private higher education development. On one hand there are those in the Ministry and others active in the private higher education effort who are anxious to move away from the monopolistic, command and control central administrative bureaucracy which drove higher education in the Soviet era. They seek to create and environment where democratic principles and institutional autonomy play an important ideological role. However, even these reformers recognize the state has a major role to play in quality assurance and that all sectors of higher education -- including the private -- have a major responsibility in the nation building process currently underway.

These reformers are quickly checked by some of the more conservative factions within the Ministry and other branches of government who are for a large part are *apparatchiki* held over from the Soviet era. These factions, anxious to keep a state monopoly on higher education, see little need for private post secondary education and the undermining of state authority attendant with its rise. Anxious to reassert state primacy in higher education -- although there is little evidence it has been seriously challenged -- these factions seem intent on maintaining many of the

[10] Figures provided by Association of Private Higher Education of Ukraine on 23 May 1994 in meeting at Ministry of Education in Kyiv.

commanding administrative processes and strict regimentations that characterized Ukrainian education in the pre-independence era.

By the Summer of 1994 this ongoing ideological struggle saw a Ministry with no clearly acceptable plan for integrating private higher education into the broader post secondary educational system, and the promulgation of a series of conflicting and confusing laws and regulations regarding everything from the licensing and accreditation of private higher education to the taxation of its tuition revenues only further clouded the situation. This schism within the Ministry regarding post secondary policy is reflected in part in the rapid and successive turnover of the vice minister post with major responsibility for higher education policy. Effectively, three men have occupied the sensitive post of Vice Minister for Higher Education in the past nine months reflecting, in part, the policy and political schisms regarding higher education that appear to be deeply rooted. It is within this context that we need to look at issues of finance, governance and function within the emerging Ukrainian private sector of higher education.

Financing of Private Higher Education in Ukraine

The financing of private higher education in Ukraine is, as are so many processes in that country, quite complex. As a hybrid between old central administrative command and efforts to provide for increased institutional autonomy and diversity, financial policies governing private higher education are very much in flux. While the Ministry of Education clearly states that government policy precludes the provision of financial support to private higher education, interviews with Ministry officials and visits to six private institutions of higher education in the Kyiv region revealed that one institution receives indirect government support through subventions which provide virtually free instructional and administrative space.[11] While Ministry officials indicate that theoretically this facility subvention is available to any private institution of higher education reality suggests that is not the case. It is not clear why only one institution was granted this indirect but important support in 1994 while others were denied it.

While state policy prohibits direct support to private higher education, tuition collected by

[11] Note: The vice rector at the institution receiving free instructional and administrative space from the state indicated that while they were the *only* institution in the country to receive this benefit it was something that other institutions could receive. A representative from the Ministry echoed essentially the same message. Administrators at the other six private institutions visited in the Kyiv region indicated it was not possible to receive this benefit and attributed its existence to "proper connections".

the private institutions was subject to an onerous, if not confiscatory tax rate of 60%. Sixty ($60.00) of every $100.00 collected in tuition and fees by the private institutions is payable to the government as taxes. Virtually every private post secondary educational administrative officer interviewed viewed this tax as the biggest barrier to the development of private higher education. Those individuals who did not see the tuition and fee tax as the biggest barrier to private higher education cited the absence of clear laws regarding the ownership of private property, especially real estate, which made it extremely risky and difficult to acquire and renovate buildings for instructional purposes.

Tuition is the principal if not sole source of financial support for the emerging private higher education section in Ukraine. A breakdown of the sources of financial support for the six institutions visited in the Kyiv region is included in Table 2. All data suggests the pattern emerging from these six institutions which are among the ten or so most firmly established private institutions in the country would generally apply to those located in the region outside of Kyiv. Despite all of its problems and limitations the Kyiv region is still very much Ukraine's financial and capital center. And, the ability for private institutions outside the Kyiv region to secure other than tuition support is extremely limited. Given the necessity to recover with few exceptions virtually all of operating cost from tuition and with no pattern of state subvention Ukraine's private sector of h gher education exhibits a high degree privateness and precariousness.

Governance of Private Higher Education in Ukraine

In attempting to understanding the development of Ukrainian private higher education it is important to look at how the institutions are internally governed and the nature of their relationship with the state. Tony Becher and Maurice Kogan, two British academics, present an interesting model for looking at how various higher educational institutional functions are associated with various levels of organization. The levels as depicted in Figure 2 are:

1. the individual professor,
2. basic unit (e.g., department, center, program etc.),
3. institutional and
4. central authority or governmental agency responsible for higher education.[12]

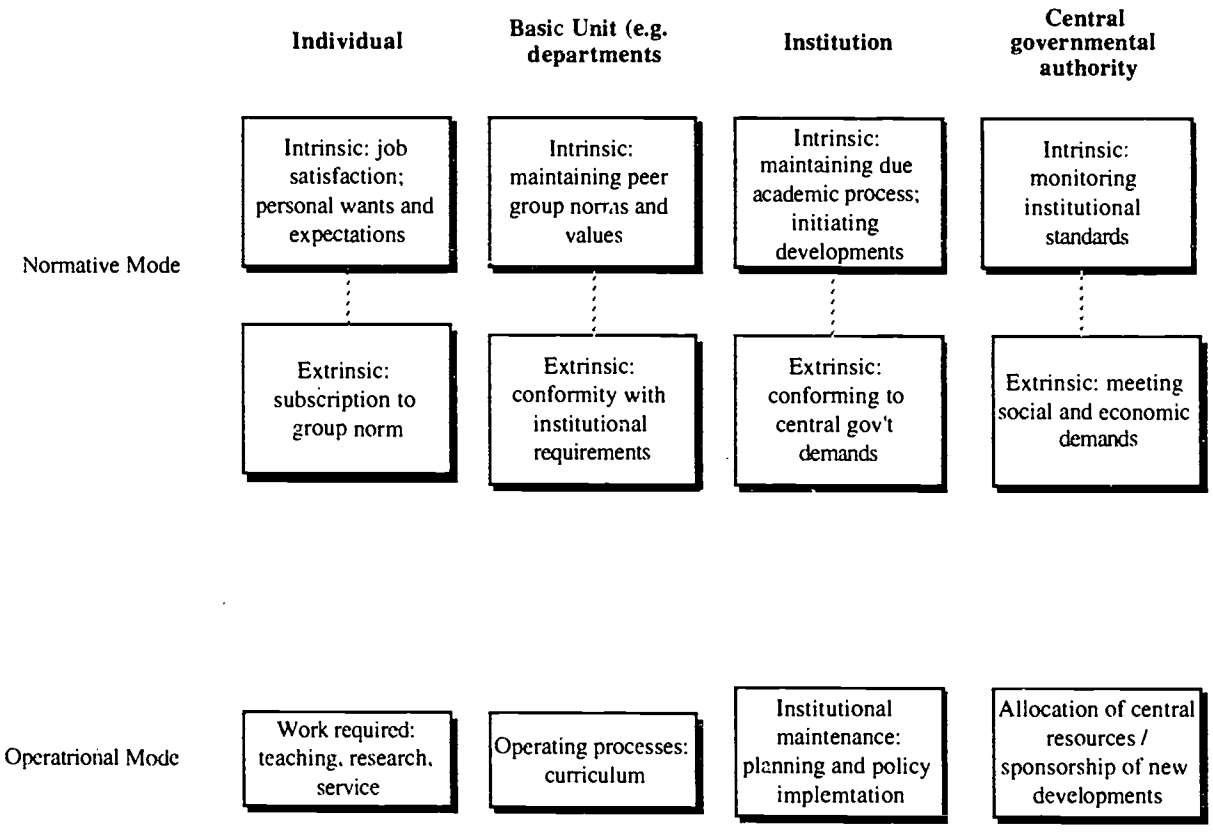
[12] T. Becher and M. Kogan, *Process and Structure in Higher Education*, London: Heinemann, 1980, 19.

Table 2: Financial Profile of Six Ukrainian Private Higher Educational Institutions

Institution (Year Founded)	Enrollment (head count)	1994 pretax budget (US$)	Annual tuition fee per full-time student	Percent of budget derived from tuition	Notes / Comments
Ukrainian International College (1992)	140±	$140,000	$1,000	100	Majority of students are foreign nationals; principally from Middle East
Medical Institute of Ukrainian Association of Natural Medicine (1992)	1,000	$400 to 500,000	$550 for Ukrainian nationals; $2,000 for foreign nationals	70	Approximately 20% of students are foreign nationals
International Solomon University (1992)	300	$156,000	$300-400	95	Has grants from foundations and religious groups
Kroc Institute (1989)	70	NA; estimate it to be in $40,000 range	$600-700	75	About 60% of students are part time and pay proportionately lower fees. Institute is closely linked to a for-profit business firm in Kyiv.
Kyiv International University of Liberal Arts (1994)	200±	$206,000 projected	$800	80	Enrolled first students in Fall 1994
Ukrainian Institute of Management and Business (1991)	600	NA; estimate to be in range of $600,000	$400-600	80±	Receives facilities from state at highly subsidized rate. Join venture with Finnish business interests.

This model is particularly useful in looking at Ukrainian private higher education because it illuminates the planning practices under way in that country. As David Turner points out

Figure 2: Model for University Activities[13]



contemporary higher education planning in Western Europe has focused on *creating* a loose link between government and higher educational institutions while in Eastern Europe the emphasis has been upon *breaking* the tight link between central government and individual institutions. Operationally, that means in Western Europe the goal was to make the institutions of higher education more responsive to national needs as perceived by government. In Eastern Europe the demise of central planning meant that national governments sought to provide the institutions with greater latitude and autonomy in addressing perceived needs and in filling educational niches:[14] conditions generally favorable and necessary for the spawning of private higher education in economically developing countries such as Ukraine.

[13] Becher and Kogan, *Process and Structure in Higher Education*, 19. D. Turner, *Shifting Patterns of Governance of Higher Education: The Case of Higher Education in Europe.*

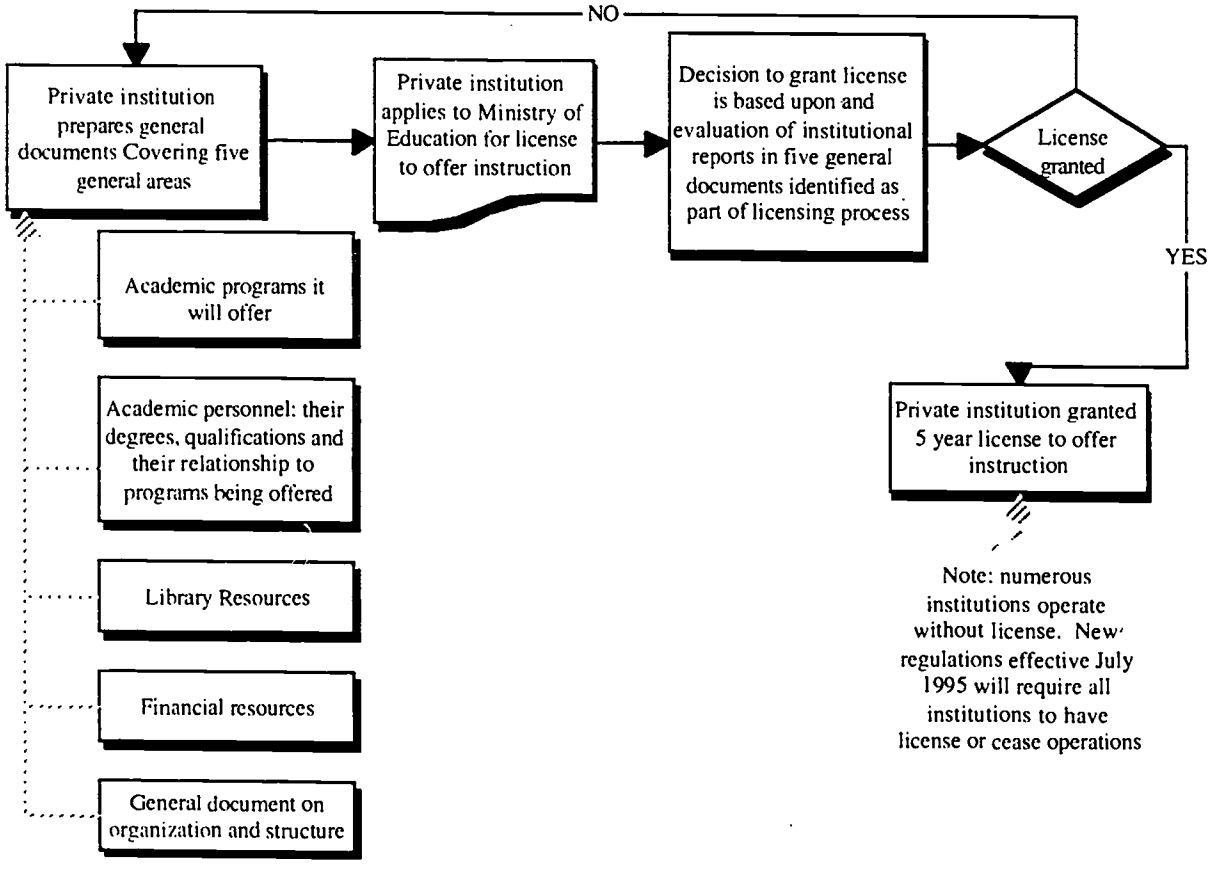
[14] D. Turner, *Shifting Patterns of Governance of Higher Education: The Case of Higher Education in Europe.*

The internal governance processes of the six institutions upon which this study is principally based are reasonably autonomous. The individual institutions are for the most part free of state interference in their day to day management. However, they must adhere to the licensing and accreditation processes administered by the state as a quality assurance measure.

On balance, Ukrainian private higher educational institutions are developing a healthy distance from central government and are governed by non-state personnel. For example, each of the six institutions studied had non-state appointed boards with primary responsibility for selection of institutional officers and overall policy, planning and development processes. Ukrainian efforts to *break* the historically tight links between central government and individual institutions, at least with respect to the emerging private sector, appears to be slowly succeeding.

For Ukrainian private higher education the hand of the state is felt most firmly and one could argue most appropriately in the areas of licensing and accreditation. The licensing process depicted below [Figure 3] outlines the steps institutions must follow to gain the authority

Figure 3: Ukrainian Ministry of Education Licensing Process for Private Higher Education

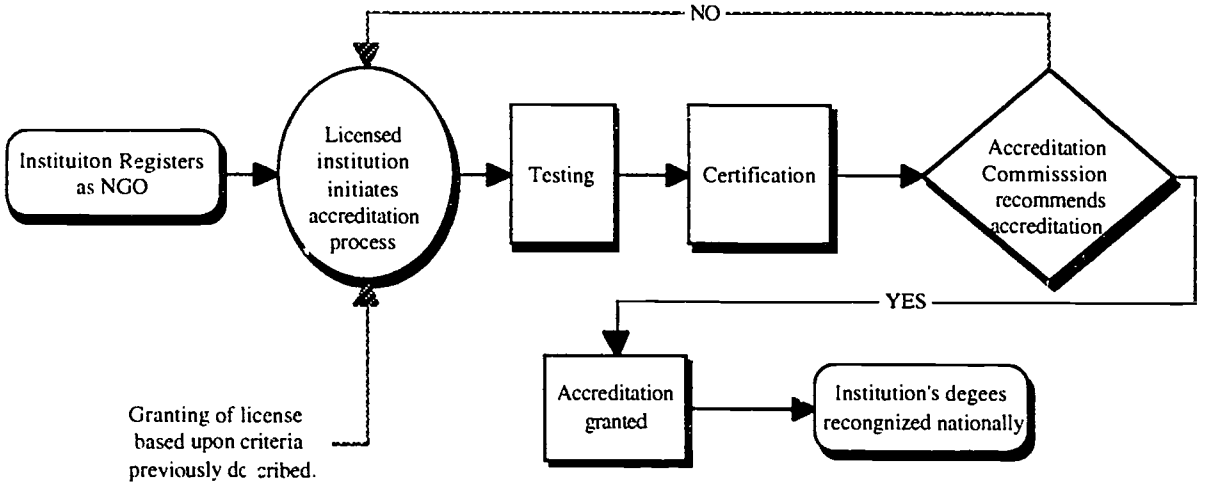


to offer instruction for five years. Under current licensing regulations only not-for-profit institutions are eligible to receive a license. All profits must be expended for educational purposes and proprietary institutions are not permitted. The close relationship between several of the recently licensed institutions and for profit firms calls into question the degree to which this regulation is being evenly administered. Nevertheless, institutions which have not been licensed by the Ministry of Education as of July 1995 will be forced to cease operation.

The licensing process initiated by the Ministry is generally seen in very favorable terms by faculty and administrators at the private institutions included in this study. By the summer of 1994 each of these institutions had gained their license and were highly supportive of the Ministry's requirement that all post secondary educational institutions be licensed by July 1995. Faculty and administrators interviewed for this study expressed fear that unlicensed, marginal institutions were severely undermining public confidence in the entire sector. The Ministry and the private institutions appear to be effectively cooperating on the licensing process and they appear to have gotten off in the right direction. However, licensing is only the initial step in a much broader state effort at quality assurance; accreditation the next step in the process is the more uncertain hurdle designed to insure that the institution meets nationally recognized standards of quality.

In principle, all licensed Ukrainian institutions, both state and private, are eligible for and expected to secure accreditation. While overall administration of the accreditation process (outlined in Figure 3) rests with the Ministry which has established a 52 person Accreditation Commission to conduct individual institutional assessments and recommend institutions for accreditation. The Accreditation Commission is comprised of university rectors, subject matter experts, representatives from private, non-state organizations, regional institutes etc. As of September 1994 no private institutions had been accreditated but several, having gained their licenses, were actively pursuing the next steps in the process. Despite the newness of and uncertainty surrounding the accreditation process administrators at the six institutions at which the principal data for this study were collected were pleased with the outline of the accreditation process provided by the Ministry and confident their institutions would be successful in securing it.

Figure 3:
Accreditation Process



Despite their confidence exhibited regarding the accreditation process numerous questions regarding the process were raised by administrators and faculty at the private institutions. Question that in July 1994 did not have clear answers still appear to be in limbo. For example, will the Ministry actually require all licensed institutions to achieve accreditation? If so, how will the accreditation process be structured to encourage the diversity and innovations that so many academics in the private institutions want to see infused throughout their institutions? Will accreditation be centrally driven? That is, will all institutions have to meet uniform, Ministry derived criteria? Or, will accreditation be based upon the attainment of institutional goals? How will innovation and quick response to market demands, a defining characteristic of Ukrainian private higher education, be woven into the accreditation process? These questions are especially important to the private institutions which are increasingly occupying niche positions in Ukrainian higher education.

Functions of Ukrainian Private Higher Education

Private higher education occupies niches in the educational system and it has expanded to meet needs brought on by the beginning of a transition to a market economy. Private higher education is attempting to meet student and employer demands in such fields as law, business,

management and marketing while leaving areas of lesser but of still important demand such as metallurgy, mining etc. to the state universities and institutes. While the state universities are beset with financial problems, have a relatively traditional and inflexible curricula, an entrenched staff and a widening deterioration of even basic university services the privates are moving rapidly to meet changing market demands. The private institutions, for example, appear to have been unusually aggressive in building links with for profit firms in the Kyiv region and trying to find internship and employment opportunities for their graduates. They have also introduced technology -- antiquarian by our standards but cutting edge by Ukrainian norms -- into the classrooms while offering students smaller classes than they can find in the public sector. In their brief existence the private sector has appeared to be highly innovative and responsive to the changing educational needs precipitated by the changing economic system.

Conclusion

It is much too early to forecast the degree of penetration private higher education will gain in the Ukrainian higher education market. In the short run, the closing of unlicensed institutions after July 1995 should see a precipitous drop in the approximately 5% market share the private sector currently enjoys. The longer run picture is even murkier. The 60% tax on tuition and fees coupled with the absence of clear laws regarding the holding of private property and the apparent strong state aversion to providing the private sector with any substantive financial assistance does not bode well . Questions regarding the accreditation process and how it may foster or inhibit private sector innovation loom large on the horizon. The entrepreneurial spirit that appears to have driven Ukrainian private higher education in the early years of this decade will give way to issues regarding institutional consolidations and cooperation.

Ukrainian private higher education is approaching a pivotal stage in its development and its future strength rests to a great degree upon its ability and that of the Ministry to find mutually beneficial ways of addressing an array of pressing issues. At the moment there is considerable need is for broadly based studies of the private higher education sector so as to form the basis for policy formation over the next couple of years.